

Revised A-76 Circular

- "The CO shall not evaluate the private sector offers separately from the agency tender."
- Exchanges (discussions, clarifications) with all offerors follow FAR 15.306.
- Materially deficient private sector offer or government agency tender can be excluded from the standard competition.
- Regardless of contract type, CO shall perform price analysis & cost realism (FAR Part 2) on all offers. Cost analysis (FAR Part 15) may be performed at discretion of Source Selection Authority.



DCAA's Role on A-76 under Old Circular

- DCAA Financial Liaison Advisors (FLAs)
 located at various military commands
 participated in evaluation of *private industry proposals only* as part of source selection
 process (separate from IRO review of MEO
 IHCE)
- Subsequent slides will detail the types of efforts that DCAA FLAs can perform, which would also apply to procurements under Revised Circular A-76



DCAA's Potential Role on A-76 under Revised Circular

- Commercial offers same financial advisory services role as under previous Circular A-76 (support of source selection process) including potential DCAA field office's examination of books and records of commercial offers
- Agency tenders (Government proposals) financial advisory services support but not extending to examination of books and records of Government entities



- Assist in determining and documenting Offerors' Compliance with RFP Section L requirements
 - Explain non-compliances with RFP
 - Identify math errors and/or other weaknesses/deficiencies in cost/price proposals
 - Read all the words and document <u>RISK</u> factors---such as when the offeror states "the Government shall and offeror will.....the Government will reimburse..."
 - Note any other observations
 - Develop findings for Contracting Officer to provide to offeror for corrections and/or support for offeror being dropped from the competitive range

DCAA FLA Roles – Commercial Offers Only

- Coordinate with Contracting Officer regarding need for DCAA field office services related to commercial offerors' proposals
 - If there will be a "down-select" to a competitive range, DCAA would recommend waiting to request FAO services until the technical competitive range has been established.
 - DCAA field office pricing support could consist of specific cost information (telephone rate check), agreed-upon procedures, review of part of a proposal (i.e., only certain cost elements based on risk), or full audit.



DCAA FLA Roles – Commercial Offers Only

Other Possible DCAA Field Office Services

- Pre-Award Accounting System
- Financial Capability Risk Assessment
- Other Comments on Purchasing System, Estimating System, Billing System, non-compliances, etc.

Note: Management Systems and Financial Responsibility are generally factors being evaluated by the Technical Evaluation Team (TET); however, DCAA can provide input from field office for the TET and Contracting Officer



DCAA FLA Roles – Commercial Offers and Agency Tenders

Assist with Cost/Price Analysis

- Discuss the need for TET evaluation of labor categories, labor mix, labor hours, ODC/Equipment/Materials quantities and type (Navy source selection plans include this step for TET)
- Sanitize cost/price proposals (block out \$\$\$) for release to the TET (Navy solicitations provide for offerors to provide sanitized cost/price proposals for TET use)
- Develop spreadsheets
 - Note: C/P analysis varies significantly with each RFP and Command. It may be as simple as bottom line prices to complex detailed costing
- Review each offer separately IAW RFP Section M evaluation criteria



- ◆ Assist in verifying that appropriate OMB cost factors (per Circular guidance) have been utilitized in the COMPARE model and in proposal format that complies with Sections L and M.
 - This step will be performed after receipt of Technical/Management Evaluation Board's review of appropriateness of agency tender proposed grade levels and applicability of out-year escalation of agency tender labor rates

DCAA FLA Roles

- Assist with cost/price analysis (cont)
 - Document the C/P analysis IAW with RFP Section M evaluation criteria
 - Interpret DCAA field office findings related to commercial offerors
 - Assist in review of military services' findings related to Agency Tenders
 - Assist with developing the Government's C/P position
 - Assist C/P Team Lead and/or Contracting Officer in documenting weaknesses/deficiencies/problems with commercial offerors' and Agency Tenders' proposals



• Participate in Cost Realism assessments

- Impact of TET on cost/price
- Whether the sanitized C/P proposals matched the technical proposals
- Whether the cost/prices are realistic
- Why there are significant variances between offerors' technical capabilities and price
- Why there are significant variances between the Independent Government Cost Estimate and cost/price proposals

FLA Roles

• Participate in discussions/negotiations with offerors

- Clarifications of RFP requirements
- Weaknesses/deficiencies in proposals (provided by Contracting Officer in writing also)
- Invitation to submit final C/P proposal

Assist with Final C/P Analysis

- Document the C/P analysis IAW with RFP Section M evaluation criteria
- Assist with developing the Government's C/P position

FLA Roles

- ◆ Participate in briefing the SSA
- Attend debriefings of unsuccessful offerors
- Support bid protest responses as required

DCAA FLA Roles

- FLAs will NOT provide opinions; we are advisory only (CAM 15-300)
- FLAs will NOT sign SSEB (or PEB) reports as DCAA Rep

CAM 15-305.10 a.(5) A DCAA report will not be issued...Signing SSEB reports is permissible. However, auditors should sign such reports in their capacity as a SSEB member. After the auditor's signature the following would be acceptable: "DCAA's SSEB representative." Under no circumstances does the signature of the SSEB member represent the official position of DCAA.



DCAA's Role on SSEBs

- FLAs are **NOT** to be SSEB Team Leaders
- FLA should <u>NEVER</u> be the only person on the Cost/Price Evaluation Team
- FLAs are to **enhance SSEBs** with DCAA expertise:
 - Providing advice and inputs on Sections L and M of the RFP, including cost models, the need for financial statements and comments on the offeror's various management systems
 - Performing compliance with the RFP reviews are acceptable, noting problems and areas of risk in the offeror's proposal
 - Coordination of financial capability risk assessments/ reviews by FAO and/or performed by the FLA with OTS support
 - Coordination with FAO to obtain inputs on offeror's management systems (accounting, estimating, billing, purchasing, subcontract management, noncompliances, etc.)



DCAA's Points of Contact

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